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THE WASHINGTON POST
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The Keepers Of the Secrets

*Intelligence Veterans
Recall the Good Old Spies*

By Henry Allen

Once, they were Princeton lads lolling down to midnight Yugoslavia in parachutes. They were card sharks turned cryptanalysts. They were upper-class types looking for a bit of sport cut of the war, which was World War II, now nearly as far away from us as the Spanish-American War was from them when the OSS, precursor of the CIA and the whole intelligence community, was founded.

"It was the greatest collection of people, I suppose, in the history of the world," said O.J. Sands, who drove up from Richmond to attend this gathering last night at the National Intelligence Study Center. "People used to say that OSS stood for Oh So Social because of the Morgans and Vanderbilts and so on we had."

Before the OSS, or Office of Strategic Services, we didn't really have an intelligence service. And since then, in the mid '70s, we've asked ourselves whether we needed or wanted one.

This is why the National Intelligence Study Center had its awards ceremony last night surrounded by the paneled walls and equestrian prints of the International Club. It is why, in fact, it was founded four years ago, said founder Ray S. Cline, former deputy director for intelligence at the CIA.

"We wanted to make people in United States understand more clearly and soberly what intelligence is." The problem, he said, was the "sensationalism of the [Sen. Frank] Church committee" along with the暮 of journalism, memoirs, exposés and analyses of American intelligence figures, "a great deal of which," he was full of hostility and written a view to sensationalism.

So for the last three years, the Center has been handing out prizes to journalists and scholars they felt better ideas. Last night, the winners were: Cord Meyer, former deputy head of overseas operations at the CIA and author of "Facing Reality: From World Federalism to the CIA"; Richard K. Betts, of the Brookings Institution, for three scholarly pieces; and The Wall Street Journal, for articles and editorials on "the need for secrecy, the danger of leaks, and the necessity to upgrade not only intelligence operations but also the interpretive function."

Oddly enough, it may well have been the collapse in the intelligence community's prestige that made this work possible. "It's only in recent years that it's been possible to write stuff that's at all informed," said Betts. "What opened it up was the Senate hearings on intelligence, the Church committee."

The center itself might not have existed had it not been for the committee. "There wouldn't have been the need for it 10 years ago," said retired

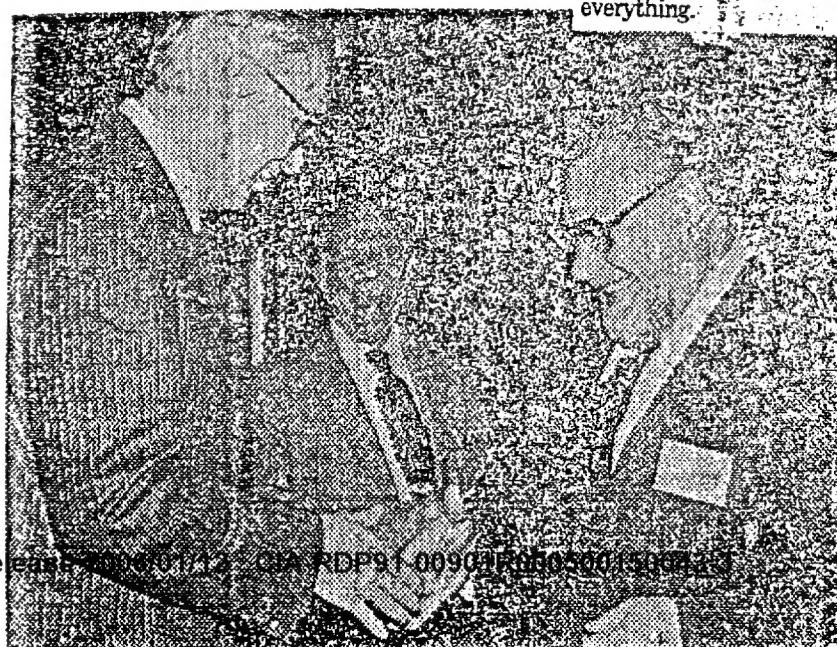
Raymond Cline, who was a CIA director in the 1950s. "You have a coming, so you have an association. When we got those problems in Congress, these people began to organize and close ranks."

They also like to trade old sea stories, said Cline, and see the old faces again. One man approached prize-winner Betts to tell him: "I was parachuting over Germany before you were born."

They wore little metal decorations in their lapels, the Distinguished Intelligence Medal and so on, this being one of the few gatherings in Washington where they'd be recognized. With their regimental stripes and sack suits they looked like they narrowly missed careers in, say, investment banking. But then, of course, they did.

Nowadays, having survived everything from the Bay of Pigs to congressional investigation, to bitter memoirs, to its own glamor, intelligence has become a comfortable old Washington institution.

Sic transit, well, practically everything.



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STAT

CIA link to fraud case is alleged

By MAGGIE ERICKSON

News Staff

The possible involvement of the Central Intelligence Agency with a cast of characters in a bank fraud case came to light Wednesday during the third day of a hearing in Denver U.S. District Court.

William Spector, who described himself as a "former Army intelligence officer" now working as a writer, alleged that at least one of the co-defendants in a case tried in Denver federal court last July had ties with the CIA.

Spector had come forward on his own to testify at a sentencing hearing for James Feeney, convicted last July for his role in a scheme to defraud local banks with documents drawn on Caribbean banks.

Feeney has maintained he operated as an undercover agent to help the government's investigation of fugitive financier Robert Vesco.

Feeney's co-defendant, Kevin Krown, was likewise convicted of bank fraud and, like Feeney, has not been sentenced. Krown was found guilty of setting up a bogus bank on largely regulation-free St. Vincent Island, West Indies.

Spector's testimony concerned Krown's alleged involvement with the CIA.

Spector didn't identify himself as a CIA employee but did allude to having an occupation besides that of a writer. The nature of that job is confidential, he claimed.

Spector was asked if he knew that Krown's bank was used to launder money for covert CIA operations. He said, "Yes."

He also answered "yes" to having knowledge of Krown's involvement in covert CIA operations. And he said he knew that Krown's St. Vincent banks were used to pay legal fees for Richard Helms, former CIA director, and that Krown was involved

in certain NATO maneuvers known as "Operation Wintex."

To other questions, Spector evoked the Fifth Amendment or declined to answer on grounds that the questions violated the Classified Documents Act.

Just what part the CIA played in the multifaceted scheme is not clear. What is clear is that former Washington lobbyist James C. Day attempted to set up a lobbying office on behalf of the Libyan government to help the Libyans get the U.S. government to release eight military aircraft purchased in the United States then embargoed because of Libyan ties with terrorists.

Day enlisted the help of Feeney and Krown, money brokers, and also tried to involve Carter administration officials.

Vesco, who now lives in Nassau, Bahamas, supposedly was to front some of the money for setting up the lobbying office.

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